

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT General Services	(2) MEETING DATE 7/10//2012	(3) CONTACT/PHONE Katie Perez, Deputy Director – General Services (805) 781-5200	
(4) SUBJECT Request authorization to purchase a used 130 Ton portable chiller in the amount of \$56,115, from American Chiller Services, Inc. to support the cooling needs of the Health Campus.			
(5) RECOMMENDED ACTION General Services recommends your Board <ol style="list-style-type: none"> 1. Authorize the sole source purchase of a used 130-ton portable chiller from American Chiller Services, Inc. (ACS) in the amount of \$56,115, and 2. Amend the Fixed Asset listing for General Services Fund Center 11305 to reflect the addition of the 130-ton chiller. 			
(6) FUNDING SOURCE(S) Fund Center 113 – General Services	(7) CURRENT YEAR FINANCIAL IMPACT \$56,115.00	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation (Time Est. _____) <input type="checkbox"/> Hearing (Time Est. _____) <input type="checkbox"/> Board Business			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A		(12) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A	
(13) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) 19001136		(14) W-9 <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	
(15) LOCATION MAP Yes	(16) BUSINESS IMPACT STATEMENT? No	(17) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date _____	
(18) ADMINISTRATIVE OFFICE REVIEW <div style="height: 40px;"></div>			
(19) SUPERVISOR DISTRICT(S) District 3 -			

County of San Luis Obispo



TO: Board of Supervisors

FROM: General Services / Katie Perez, Deputy Director – General Services
(805) 781-5200

DATE: 6/19/2012

SUBJECT: Request authorization to purchase a used 130 Ton portable chiller in the amount of \$56,115, from American Chiller Services, Inc. to support the cooling needs of the Health Campus.

RECOMMENDATION

General Services recommends your Board:

1. Authorize the sole source purchase of a used 130-ton portable chiller from American Chiller Services, Inc. (ACS) in the amount of \$56,115, and
2. Amend the Fixed Asset listing for General Services Fund Center 11305 to reflect the addition of the 130-ton chiller.

DISCUSSION

On October 4, 2005 your Board approved an agreement with Aircon Energy, Inc. for the retrofit of the old General Hospital as part of the remodel for use as a Health Campus. The agreement included the design and installation of a Heating, Ventilation, Air Conditioning (HVAC) system consisting of three chillers; a 30-ton electric chiller (manufactured by York), a 60-ton and a 90-ton absorption chiller (manufactured by Broad Air Conditioning Co. Ltd.).

In September 2008, the 60-ton absorption chiller began to experience failures. American Chiller, the County's service provider for the chillers, made repairs and put it back into operation. The system failures continued on both the 60-ton and 90-ton chillers. During this period County staff worked with Broad and American Chiller to resolve the deficiencies of the chillers. Continued efforts to resolve the problems with the chillers were unsuccessful and neither the 60-ton nor the 90-ton chillers performed consistently. The function of the chillers is to provide cooling the buildings at the Health Campus during periods of warm weather. The ability to cool the Health Campus buildings was at risk.

In October of 2010, the lack of a reliable cooling system resulted in a decision to enter into a rental agreement with American Chiller Services Inc. for a used 130-ton portable electric chiller (manufactured by Trane). This chiller sits on a flatbed truck adjacent to the Health Campus buildings and is plumbed into the system through one of the non-functional absorption chillers. The cost of this rental unit is \$5,500 per month with approximately \$115,000 being spent to date on rental fees. . Given the extended time frame the chillers have been out of service, the appropriate course of action is to purchase the truck mounted chiller for a single lump sum rather than continue rental payments.

The rental chiller (in combination with the smaller 30-ton York chiller) currently meets the cooling needs of the Health Campus. Purchasing the used rental chiller is the most cost effective step to take until issues with the non-functional chillers are resolved.

We have negotiated a purchase price from American Chiller Services Inc. in the amount of \$56,115

	Equipment Included	Cost
2	One 24-foot Flatbed Trailer	\$ 8,510
3	Eight 4" x 25' Chilled water hoses	\$ 3,422
4	Eight 40 Portable power cables with pigtails	\$ 4,335
5	Misc. Victaulic pipe fittings	\$ 824
6	One 300-amp Square D circuit breaker	\$ 1,225
	Total (including all tax)	\$56,115

This price represents the mid to low end of market value for this type of used equipment based on HVAC industry feedback. This unit has approximately 3 ½ years of full time operation on it and our expectation is that it has approximately 10-15 years of remaining useful life. To purchase and install a comparable new chiller with equal capacity would cost approximately \$112,000 and provide us with 20-25 years of expected life.

We are asking your Board to approve the sole source purchase of this chiller from American Chiller Services, Inc. due to the cost benefit of purchasing equipment that has been in place and functioning since October 2010. Purchasing the used rental 130-ton Trane electric chiller from American Chiller Services, Inc. provides the County with the time to pursue the appropriate solution for the failed chillers without the pressure of a non-functioning cooling system. Any failure with the cooling system would have a negative impact on the operations of the Health Campus, especially as we move through the summer months.

OTHER AGENCY INVOLVEMENT/IMPACT

The Office of the Auditor Controller, the County Administrative Office and County Counsel's office have participated in discussions regarding the chillers at the Health Campus.

FINANCIAL CONSIDERATIONS

The source of funding for this purchase is already appropriated in Fund Center 113 – General Services. Purchasing this used rental chiller will remove it from rental status avoiding further rental costs. This action will provide time to thoroughly review options for the non-functioning 60-ton and 90-ton chillers. This Fixed Asset will reside in General Services Fund Center 11305.

RESULTS

The purchase of this used 130-ton portable chiller will allow continued cooling of the Health Campus supporting the mission of the Health Agency. This supports the County wide goal of a healthy community.

ATTACHMENTS

1. Vicinity Map